

VZCZCXRO3433

RR RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR

DE RUEHB #3039/01 2741520

ZNY CCCCC ZZH

R 011520Z OCT 07

FM USEU BRUSSELS

TO RUEHC/SECSTATE WASHDC

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 003039

SIPDIS

SIPDIS

E.O. 12958: DECL: 09/27/2017

TAGS: PREL PGOV PHUM EAID ECON ENRG OSCE EUN BO XH

SUBJECT: CORRECTED COPY: DAS KRAMER, AMB STEWART AND THE EU  
DISCUSSES NEXT STEPS ON BELARUS

REF: A. BRUSSELS 2984 (NOTAL)

1B. BRUSSELS 1099

Classified By: Classified By: USEU Political Minister Counselor Laurence Wohlers, for reasons 1.4 (b) and (d).

Summary

---

1.(C) EUR DAS David Kramer and U.S. Ambassador Karen Stewart (Minsk) held back-to-back meetings on September 19 with the Friends of Belarus informal contact group and the EU Troika to review the current situation in Belarus and coordinate policy responses. In both meetings, the sides broadly agreed to maintain pressure through sanctions on the Lukashenka regime and to increase the Belarusian people's exposure to the West. The EU acknowledged the imperative of Transatlantic unity and quick action in response to any major good (or bad) moves by Lukashenka with respect to the political opposition.

The Portuguese EU Presidency complained that Russia was "too much at ease" and that the West currently had no way to check Russian influence in Belarus. EU officials and member states differed on whether the prescription for this problem was engagement with or isolation of the regime in Minsk. END SUMMARY

2.(SBU) During a September 18-19 visit to Brussels, EUR Deputy Assistant Secretary David Kramer and U.S. Ambassador to Belarus Karen Stewart held intensive discussions with EU institutions and member states on Belarus. These included a Quad meeting at the US Mission to the EU on September 18 (reported REF A), a Friends of Belarus meeting hosted by the Lithuanian Mission on September 19, and a U.S.-EU Eastern Europe/Caucasus (COEST) Troika consultation on September 19 hosted by the EU. This cable contains a readout of the Friends meeting and the COEST discussions on Belarus. Other COEST topics, including Russia, Ukraine, Moldova, and the Southern Caucasus will be reported septel.

---

-----  
U.S.-EU COEST TROIKA  
-----

New U.S. sanctions

---

3.(C) DAS Kramer provided the EU Troika with an overview of new U.S. sanctions against Belarus, including expanded visa bans and soon-to-be-announced asset freeze against state-owned enterprises. The U.S. actions should have come as no surprise to the GoB. Minsk had been warned in advance that its failure to release all political prisoners would trigger a commensurate negative reaction from the United States. Ambassador Stewart reviewed recent negative domestic economic and political developments in Belarus. Privatizations and less-than-savory credit relationships with rogue states, such as Iran and Venezuela, signaled deepening economic strains in light of rising energy costs. Power shifts in senior positions and crackdowns on dissidents

indicated tensions among Lukashenka loyalists and clans in power around him.

#### A Transatlantic To-Do List

---

4.(C) DAS Kramer pointed out several areas in which the EU and United States should focus coordination over the next few months:

-- Media programming: Kramer proposed establishing a small U.S.-EU expert working group to improve our efforts in this sector.

-- Political Opposition: Kramer stressed the need for U.S.-EU unity in response to any future good (or bad) moves by the regime, particularly on October 2 when the national parliament might consider prisoner amnesties. An autumn visit to Washington and Brussels by Belarusian opposition leaders should also be considered.

-- OSCE Diplomacy: Kramer urged that the EU and United States block any future suggestion for an OSCE Vienna HOM trip to Minsk, as it would serve the interests of the regime, and not the OSCE.

-- Economic Reform: Kramer encouraged the EU to consider how to use existing tools to promote long-term institutional reform in Belarus, including perhaps through the EBRD, while being mindful that such efforts could ease the pressure we want to maintain on Lukashenka.

5.(C) Ambassador Stewart highlighted possible opportunities for Lukashenka to improve relations with the West. In particular, we hoped for the release of all political prisoners through a general amnesty to be considered by parliament on October 2. In the event that the regime released some, but not all political prisoners, the United States urged that the EU stick to its current hard line policy on sanctions and contacts. The Belarusian security

BRUSSELS 00003039 002 OF 003

apparatus' handling of a political opposition protest (March for Europe) on October 14 could also help us gauge the regime's intentions toward relations with the West.

#### EU: How to Counter Russian Influence?

---

6.(C) Marcelo Curto, Portuguese Ambassador to Russia and COEST Coordinator for the Portuguese Presidency expressed concern that Russia was "too much at ease" and that the US and EU "had no game to play" in Belarus. Although Lukashenka's increasing unpopularity was all to the good, the West currently had no way to check Russian influence in Belarus. Curto acknowledged that pressure on the regime was necessary, but preferred increased engagement and exposure to the West rather than isolation.

7.(C) Curto, who is accredited to both Moscow and Minsk, opined that the Russia-Belarus Union project was "really dead" and that Russia had adjusted its strategy toward Lukashenka accordingly. Specifically, Russia was using energy as a weapon to exert greater control over Belarus and provide for a "smooth anschluss." Russia's construction of a new Baltic pipeline to divert oil to other countries (and away from Belarus) demonstrated both a new bilateral policy and an intention to exert strategic influence over the entire region. Curto believed that Moscow saw no alternative to Lukashenka for the moment and, perhaps would not/wish to seek one in any case. Moscow preferred a situation in which Lukashenka was controllable and the opposition divided. Russian officials enjoyed the fact that Lukashenka had, unwittingly, turned dissident Alexander Kozulin into a "political martyr."

#### Energy, exchanges, and assistance

---

8.(C) Madeleine Majorenko, European Commission Deputy Head of Unit for Belarus, explained that the EU had postponed energy talks with Belarus as a result of the latest wave of political arrests there. The talks would likely be

rescheduled for December or January in Minsk. The Commission currently had 5 million euro to allocate in CY 2007 money and the same amount for 2008. Project funding priorities for Brussels included energy efficiency, regulatory reform, education (e.g., European Humanities University) and HIV/AIDS prevention. Commission officials shared U.S. concerns about privatization issues in Belarus. On the positive side, Majorenko noted that the GoB had recently solicited World Bank and IMF assistance to improve financial transparency in public accounting and to assess the state of the banking sector. The U.S. delegations agreed to look into this matter with World Bank contacts as well.

9.(C) Ambassador Stewart outlined U.S. efforts to help Minsk to improve its dismal physical security of nuclear facilities. The Commission urged the U.S. and EU to monitor Minsk's development of a long-term nuclear fuel purchase strategy with a view toward avoiding possible attempts to play western countries off of each other.

-----  
Friends of Belarus  
-----

10.(C) At the second Friends of Belarus meeting convened in Brussels this year by the Lithuanian Permanent Mission, EU officials and PSC Ambassadors compared notes with DAS Kramer and Ambassador Stewart on policy and programming toward Belarus. A tour de table revealed common concern over creeping Russian influence in Belarus' strategic sectors. However, there were shades of difference between EU member states and institutions on how best to influence officials below the very top layer of the Lukashenka regime.

Contact Policy  
-----

11.(C) As in the COEST meeting, DAS Kramer reviewed U.S. coordination priorities on Belarus, including the rejection of any future calls for an OSCE Ambassadors visit to Minsk. Moreover, the United States was displeased by the Georgian Interior Minister's recent visit to Minsk and talk of "strategic partnership," and suggested discouraging Tbilisi in this regard. The UK highlighted the importance of maintaining vigilance in the EU's policy of limiting contacts with senior Belarusian officials. In this regard, the UK rep accused the European Commission of "crossing the line" by inviting Belarusian DFM Voronetsky to speak at a high level Commission event on the European Neighborhood Policy. Latvia on the other hand, called Voronetsky's appearance a "success" for EU policy, and said it was considering inviting him to a November 23 Conference on the Baltics and ENP. The UK, Poland, Germany, and France encouraged more careful thinking about who the West could and should seek to positively influence in the Bel

BRUSSELS 00003039 003 OF 003

arusian government. For this purpose, the UK advocated increased information sharing between the U.S. and EU Heads of Missions in Minsk.

A Wider EU Visa Bans?  
-----

12.(C) The Friends meeting stimulated positive EU discussion of the current Belarus visa ban list. Lithuania and a Council Secretariat Policy Unit official wondered aloud why the EU could not expand the current visa ban list to include family members. German and French PSC Ambassadors tentatively offered support for further consideration of the idea. The Polish Ambassador noted that while sanctions tended to "underperform" they were essential to maintaining EU credibility toward the regime. At the same time, the evidentiary requirements for visa bans could become more severe given the recent successful court challenges of EU sanctions in a terrorism financing case.

More Support for Civil Society  
-----

13.(C) Many Friends (Sweden, Latvia, Estonia, Poland, France, Lithuania, Germany, and EU Commission reps) advocated increasing people to people exchanges between Belarus and the West. With a view toward strengthening opposition unity, DAS Kramer said that the United States was considering inviting a group of Belarusian opposition leaders to Washington soon after the October 14 Europe Day March in Minsk. EU participants agreed to Kramer's suggestion to add a Brussels stop on the same itinerary. As in the COEST Troika, Kramer candidly noted that Western media broadcasting to Belarus was an area ripe for improvement and suggested a working group to address the issues. Sweden and Poland were also looking at military-to-military contacts with Belarus.

#### EU Visa Facilitation

---

14.(C) The Swedish PSC Ambassador complained that increased EU visa fees (60 euros up from 35 euros) in the Schengen zone would make travel to the West more difficult for average Belarusian citizens. He urged the Commission and Member States' Ministries of Interior to find a "loophole" to allow reduced fees. Hugues Mingarelli, the Commission Deputy Director General for Eastern Europe retorted that the Commission had already notified member states there it was up to individual member states to take such action and that no legal or political action at the community level was required. France and Germany believed that differentiation in EU visa issuance policy was needed, including adding names to the visa ban list and providing easier access to the EU for ordinary citizens. France underscored the importance of sending "the right message at the right moment."

#### More on Energy

---

15.(C) Mingarelli noted that the Commission was interested in continuing its dialogue and technical assistance in the energy sector. The Commission was particularly concerned about the impact on EU member states in the event of a collapse of the Belarusian energy transport grid. Mingarelli cautioned that any expansion of the EU visa ban not cut off EU contact with such individuals. The EU was currently trying to include the Belarusian consumer union as well as energy officials in a dialogue on energy sector reform issues. Poland noted that the Commission's current "unbundling" proposals to address the Gazprom problem in the EU's own internal energy market could complicate the EU's energy agenda with Belarus. He added that it might be necessary to wait until after Russian Presidential elections to see what, if any, changes on the ground, might take place.

**¶16. (U)** This message has been cleared by DAS Kramer and Ambassador Stewart.

GRAY

.